

**MINUTES OF THE
REVENUE AND TAXATION INTERIM COMMITTEE**
Wednesday, May 21, 2003 – 2:00 p.m. – Room 403 State Capitol

Members Present:

Sen. Curtis S. Bramble, Senate Chair
Rep. Wayne A. Harper, House Chair
Sen. Ron Allen
Sen. Leonard M. Blackham
Sen. Mike Dmitrich
Sen. Lyle W. Hillyard
Sen. Howard A. Stephenson
Rep. Sheryl L. Allen
Rep. Ralph Becker
Rep. Judy Ann Buffmire
Rep. Greg J. Curtis
Rep. Craig Frank
Rep. Ann W. Hardy
Rep. Kory M. Holdaway

Rep. Bradley G. Last
Rep. Carol Spackman Moss
Rep. Merlynn T. Newbold
Rep. Jack A. Seitz
Rep. Gordon E. Snow

Members Absent:

Rep. Stephen D. Clark
Rep. Carl W. Duckworth

Staff Present:

Mr. Bryant R. Howe, Policy Analyst
Ms. Rebecca L. Rockwell, Associate General Counsel
Ms. Sandra Wissa, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the committee secretary at 538-1032.

1. Committee Business

Chair Harper called the meeting to order at 2:20 p.m. He introduced and welcomed Rep. Craig Frank.

MOTION: Rep. Newbold moved to approve the minutes of the April 16, 2003 meeting. The motion passed unanimously with Sen. Allen, Sen. Bramble, Rep. Becker, Rep. Clark, Rep. Curtis, and Rep. Duckworth absent for the vote.

2. A Performance Audit of the UTAX Project

Mr. Wayne Welsh, Legislative Auditor General, Mr. John Schaff, Deputy Auditor General, and Mr. Darin Underwood, Supervisor, made a presentation on the UTAX audit report and answered questions from the Committee.

Mr. Rod Marrelli, Executive Director, Tax Commission (Utah State Tax Commission), and Ms. Pam Hendrickson, Chair, Tax Commission, spoke to the Committee and answered questions.

Sen. Hillyard asked the Tax Commission to provide information to the Committee on how many taxpayers would be required to collect \$42 million in revenue for the following taxes: 1) individual income tax of a single person making \$6 per hour; 2) property tax on house in Salt Lake City valued at \$100,000; and 3) sales and use tax on food for a family of four (two adults and two children) for a year.

3. Tax Expenditure Report

Rep. David Clark explained 2003 General Session H.B. 340, "Tax Expenditure Report Amendments," that he sponsored and answered questions from the Committee.

Mr. Howe distributed 2003 General Session H.B. 340. He also distributed and reviewed "Credits: Utah Individual Income and Corporate Franchise and Income Taxes," "Utah Individual Income and Corporate Franchise and Income Tax Credits 1996 through 2002 Tax Years[–]Number of Returns Claiming Credit and Amount of Credit Claimed," a copy of Utah Code Ann. §59-10-135, and "Deductions: From Federal Taxable Income Allowed Under the Utah Individual Income Tax."

4. Disputed Property Taxes in Escrow

Mr. Brent Gardner, Executive Director, Utah Association of Counties, introduced the issue of placing disputed taxes on centrally assessed property in escrow and provided a brief history of this issue for the Committee.

Mr. Gary Herbert, Utah County Commissioner and President of the Utah Association of Counties, spoke on this issue for the Committee.

Mr. Carl Hendrickson, Chief Central Deputy, Salt Lake District Attorney's Office, addressed the Committee on this issue.

Ms. Rockwell reviewed the reasons for the Legislature repealing legislation enacted in 1997 that required disputed property taxes to be placed in escrow in a special session that same year.

Mr. Mike Jerman, Utah Taxpayers Association, Mr. Ruland Gill, Questar Corp., and Mr. Greg Fredde, Utah Mining Association, spoke to the Committee on this item.

Sen. Dmitrich asked staff to provide an opinion or legal research concerning using the previous year's value for property tax assessments.

5. Age-Based Motor Vehicle Uniform Fee System

Mr. George Mantes indicated that as a former senator he sponsored the legislation requiring certain vehicles to be subject to uniform fees on the basis of the age and weight of the vehicle and provided background on the issue for the Committee.

Mr. Howe distributed and reviewed "Utah's Motor Vehicle Fee System."

Mr. Lee Gardner, Salt Lake County Assessor, Mr. Art Partridge, Washington County Assessor, and Ms. Jerrie Paystrup, Tooele County Assessor, spoke to the Committee.

6. Other Items / Adjourn

MOTION: Rep. Becker moved to adjourn the meeting. The motion passed unanimously. Chair Harper adjourned the meeting at 4:55 p.m.

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